MEMPHIS OUTCOMES RATE CARD:
WORKING GROUP DISCUSSION

DECEMBER 8, 2017

10 Milk Street, Suite 1010, Boston, MA 02108

AGENDA

I.	**Overview of project progress**

II. Discussion: Project design framework

III. Review of workplan and next steps

Goals for Today's Discussion:

✓ Review project progress to date
✓ Discuss current state processes
✓ Align working group on proposed project design framework approach
✓ Align on key next steps

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PROGRESS SINCE OUR LAST WORKING SESSION

1 WIN/WIOA Research

- **Worked with WIN team** to further explore:
  - Current state contracting and **payment terms**
  - Existing **requirements for service provider data entry and follow-up**
- Drafted an initial **board memo** to highlight WIN's commitment to secure outcome payment funds

2 Initial Data Discussions & Data Requests

- Received initial **WIN data** on **Adult, DW** and **Youth** populations and service usage across WIOA reporting metrics
- Received **LS/CMI database** intake assessment data for 2015-2017
- Received initial **summary statistics data** from Shelby County Corrections and drafted TDOC data request – *currently awaiting follow-up discussions*

3 Service Provider Discussions

- Conducted interviews with several **local service providers**: HopeWorks, Maximus, and Seedco
- Conducted **service provider secondary research** and **cold outreach** to identified high-potential providers
- Outlined plan for an **in-person provider education session** in mid-January

4 Project Design

- Created **project design framework** based on continued discussions with WIN and service provider interviews
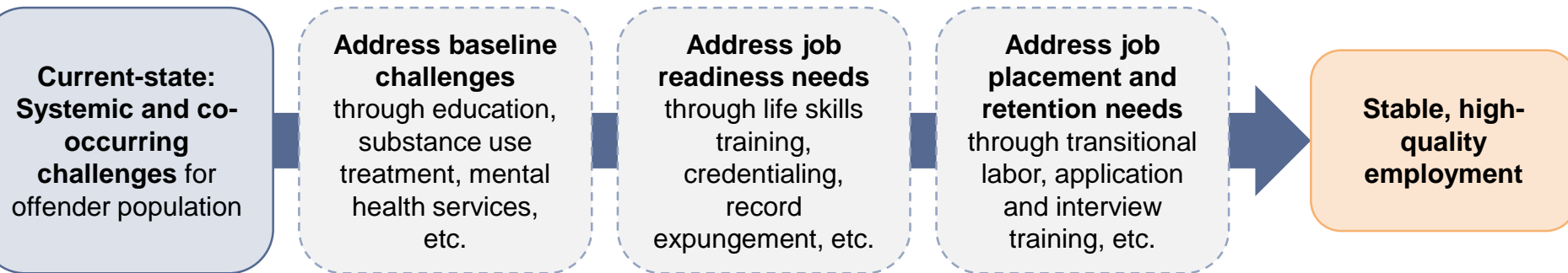- *See next section for detail*

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REMINDER: PROJECT DESIGN APPROACH

Project Hypothesis: Addressing Multiple Needs to Help Ex-Offenders

Current-state: Systemic and co-occurring challenges for offender population → **Address baseline challenges** through education, substance use treatment, mental health services, etc. → **Address job readiness needs** through life skills training, credentialing, record expungement, etc. → **Address job placement and retention needs** through transitional labor, application and interview training, etc. → **Stable, high-quality employment**

*Project design decisions will drive desired project outcomes by attracting **high-quality service provider applications** and relevant **intervention types***

CURRENT STATE: WIN CONTRACTING

Process ↑↑↑↑

1 **Entry:**
Service provider Case Manager collects verifying information and creates a WIOA application within Virtual One-Stop (VOS) system

2 **Service:**
An Individual Employment Plan (IEP) and Occupational Assessment Survey (OAS) are produced based on approved application, and individuals may receive service for up to one year

3 **Exit:**
Provider sends exit form to WIN, who validates (e.g. reviews pay stubs, certificate of completion) and closes out in system

4 **Follow-Up:**
VOS system prompts timely follow-up for next 4 quarters after exit

Service Delivery
[Up to one year]

Follow-Up
[Four quarters]

Payments $$$

1 ✓ **Program Enrollment [33%]**
- WIOA application completed (VOS)
- IEP and OAS in system
- Pre-assessment
- Activities entered
- Initial case note
- Eligibility documentation

2 ✓ **Program Exit/Completion [33%]**
- Post-assessment
- Employment verification
- Credential attainment verification

3 ✓ **Follow-Up [33%]**
- 2nd Quarter Follow-up (50% of payment)
- 4th Quarter Follow-up (50% of payment)

WIN and the City reserve the right to adjust funding based on achievement of quarterly goals

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PROJECT DESIGN APPROACH

Several aspects of the rate card design may need to look different than current state processes to accomplish project design goals

	Project design component	Current State	Key questions
1	**Metric/outcome categories**	Providers track and payments are contingent upon administrative and programmatic metrics only	How can the rate card design drive achievement of outcomes across an array of intervention types, with meaningful outcomes for workforce and recidivism?
2	**Service provider requirements**	All providers held to same required metrics and sub-metrics	How can the rate card design incentivize providers to offer supplemental or complementary services (e.g. pre-release) beyond core requirements to improve short- and long-term outcomes?
3	**Payment-contingent vs. contractually obligated metrics**	Three points of payment-contingency, with additional performance thresholds contractually obligated	How can the rate card design align payment of providers with achievement of meaningful metrics/ outcomes, while ensuring compliance with all WIN/WIOA requirements?

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PROPOSED: EXPECTED VS. SUPPLEMENTAL METRICS

The proposed rate card design would provide opportunities to achieve more familiar outputs and outcomes, along with additional payments

Category	Expected Metrics	Supplemental Metrics
1 Administrative	**[Required** for all providers/partnerships]	**[Optional** for providers/partnerships]
2 Programmatic	*Shorter-term metrics that align with current WIOA reporting requirements and basic expectations for service provider payment*	*Longer-term outcomes to drive provision of specific intervention types and higher-impact outcomes*
3 Workforce		
4 Recidivism		
	Example: Completion of job skills or soft skills training program	**Example:** Avoided negative CJ outcomes through one year post-placement

PRELIMINARY PROPOSAL: OUTCOMES RATE CARD MATRIX

Proposed framework for outcomes rate card to incentivize achievement of both expected and supplemental metrics. We would seek to align one specific metric to each box included on the rate card
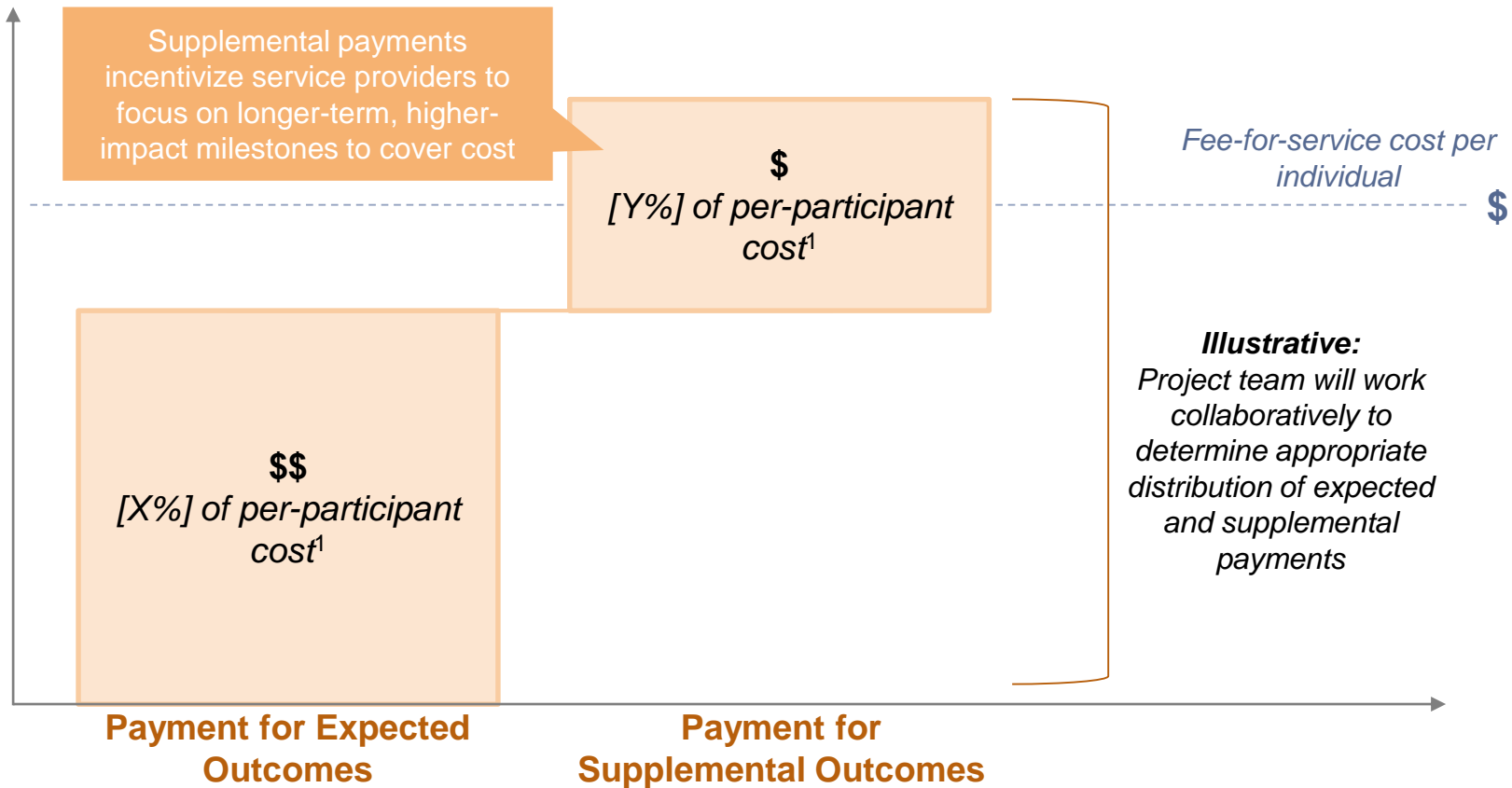
Category	Expected	Supplemental
Administrative	✓ Include *or Contractually Obligate*	? Maybe Include
Programmatic	✓ Include	✓ Include
Workforce	✓ Include	✓ Include
Recidivism	× Don't Include	✓ Include

Risk

*Segmented metrics for **pre-release** outcomes as well*

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ILLUSTRATIVE: PAYMENT STRUCTURE

Payment structure intended to offer service providers an opportunity to more than recoup cost per individual by achieving longer-term, higher-impact milestones

Supplemental payments incentivize service providers to focus on longer-term, higher-impact milestones to cover cost

$
[Y%] of per-participant cost[1]

$$
[X%] of per-participant cost[1]

Payment for Expected Outcomes

Payment for Supplemental Outcomes

Fee-for-service cost per individual

$

Illustrative:
Project team will work collaboratively to determine appropriate distribution of expected and supplemental payments

[1]Cost refers to estimated total cost per individual borne by service providers – division of total payments intended to incentivize achievement of longer-term outcomes, while allowing SPs to recover a larger percentage of cost than currently seen through standard fee-for-service contracting methods

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Tracking of operational implications for proposed project design

Questions for Discussion

Data:

- How would data be collected/validated for each metric? On what cadence?
- What would it mean for data input processes to be contractually obligated rather than payment contingent?

Operations:

- How would rate card participants be differentiated from other individuals served by the same providers within WIN data systems?

Payment:

- What is the appropriate frequency of payment? (e.g. paid out as individual outcomes are achieved, or paid to providers [quarterly] on a lag?)
- What is the appropriate split of expected vs. supplemental payments?

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RECAP: DESIGN CHECK POINTS & KEY QUESTIONS

Satisfactory answers needed to all design questions to move forward at 4-month and 6-month design check points

MONTHLY DESIGN CHECK POINTS	Is the project on track to meet upcoming milestones?

FOUR-MONTH DESIGN CHECK POINT

- What are the key conclusions based on analysis of administrative data?

- Do service providers have the capacity and track record to deliver services via an outcomes rate card?

- What is the preliminary, prioritized list of outcomes (short- and long-term) that could be included on the outcomes rate card?

- How will outcome payments be funded over the life of the project?

SIX-MONTH DESIGN CHECK POINT

- Which outcomes should be included on the outcomes rate card?

- What is the price attached to each selected outcome?

*Four-month check point meeting will be held in January 2018*

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Next Steps

- Service provider info session next steps:
  - Finalize date and location *(targeting Jan 18-19 OR week of Jan 29)*
  - Hold additional conversations with high-potential service providers
  - Draft pre-survey questions for attendees
- Data: follow-up discussions on LS/CMI analysis and TDOC data
- Rate card design: SF/SIC to draft proposed rate card for working group review and iteration

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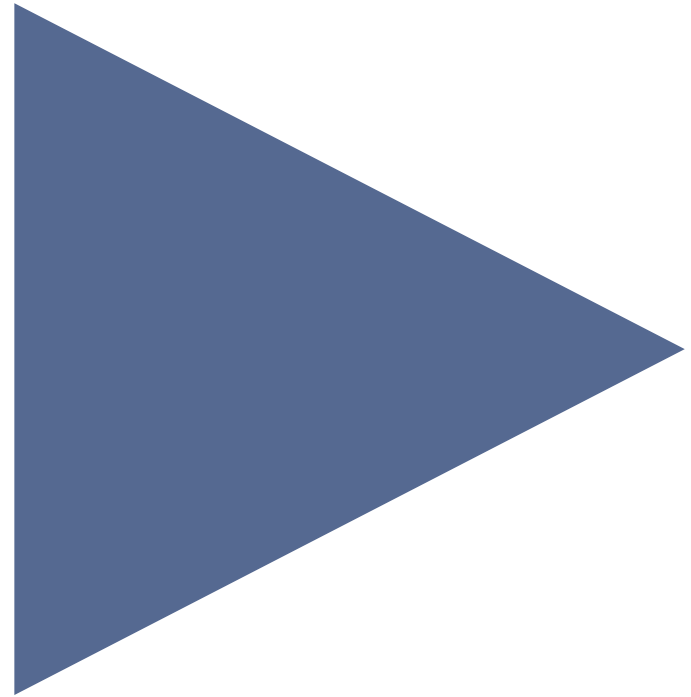
Based on our working session, we have refined our initial hypothesis around which the rate card will be built

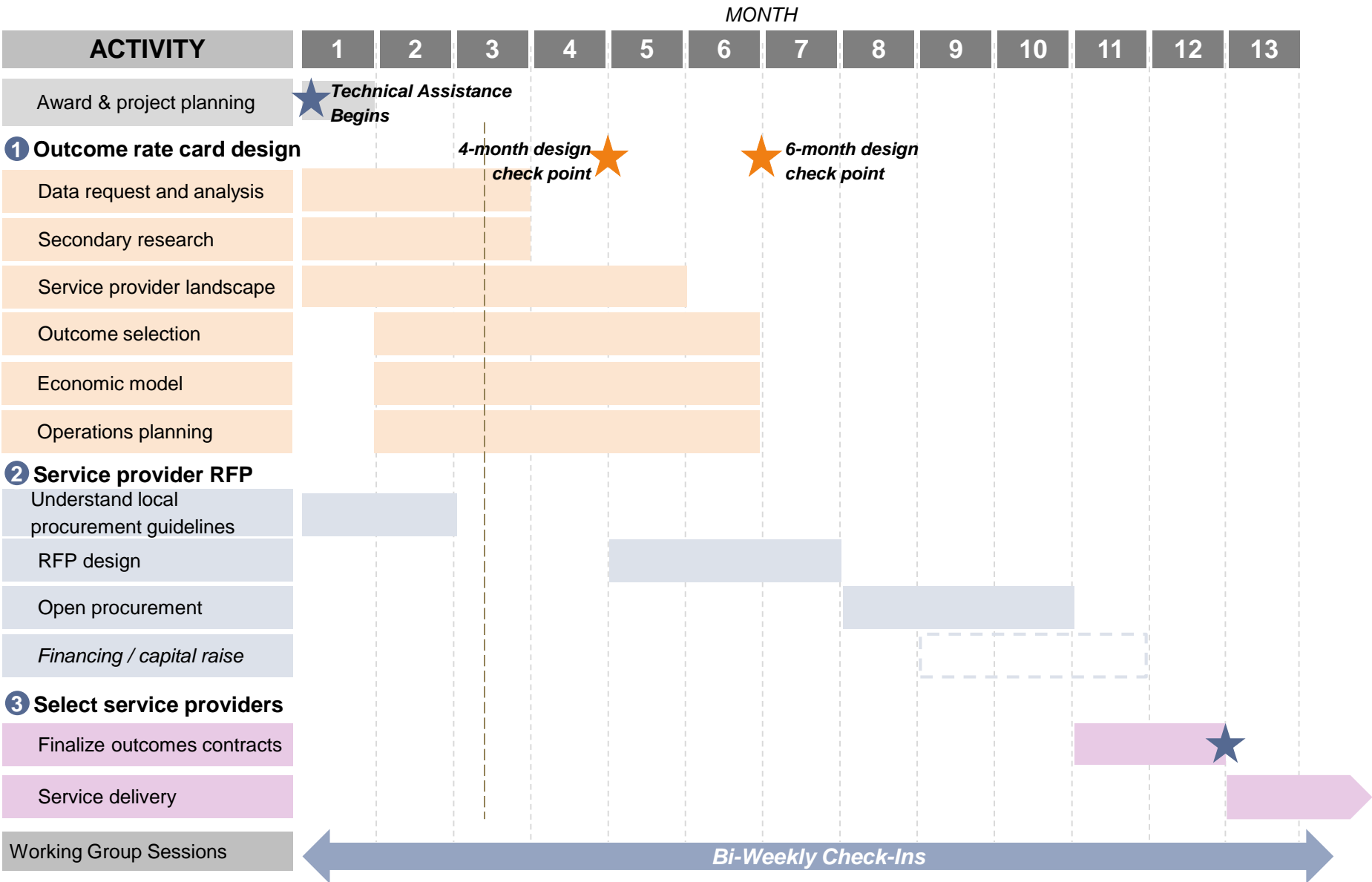| Dimension	Initial Hypothesis	Revised Hypothesis
I Geography	• Project will serve individuals located in both Shelby and Fayette Counties	• Project will focus on individuals located **only in Memphis and Shelby County**
II Target Population	• Project will serve adults age 18+, medium or high-risk per STRONG-R, currently incarcerated or recently released • All individuals must be physically and mentally capable of taking on employment	• Project will serve adults age 18+, medium or high-risk **per an objective risk assessment score, currently incarcerated** or **recently system-involved** (released or sentenced to probation/parole within the past 12 months)**,** • All individuals must be physically and mentally capable of taking on employment • Potential youthful offender (18-24) focus
III Interventions	• Use a combination of pre- and post-release interventions to achieve project outcomes, including education, vocational training, mentoring, re-entry case management and job placement services	• As initially hypothesized, project will seek to procure for a **combination of pre- and post-release interventions**
IV Outcomes	• Outcomes will be stratified by target population risk level and co-occurring challenges • Outcome types will include employment and programmatic outcomes, with potential to include additional categories (recidivism, education, health, etc.)	• Outcome types will include **employment** (e.g. job placement, retention), **programmatic** (enrollment, etc.) and **recidivism** outcomes (e.g. avoided negative outcomes), as long as WIOA regulations do not preclude any of these • As initially hypothesized, outcomes likely to be stratified according to target pop. characteristics

DIMENSION III: FRAMEWORK OF INTERVENTIONS BY STAGE AND TYPE

SERVICE DELIVERY SETTING / STAGE OF ENGAGEMENT

Hypothesized areas of focus

INTERVENTION TYPE (PRIMARY OBJECTIVE)

		Pre-Release	**Post-Release**
1	*Education & Job Preparedness*	**High School Completion/GED, Adult Basic Education, postsecondary education, vocational training, career & technical education** *TN Higher Education Initiative (TN), LIFE College (TN), Inside-Out Program, The Last Mile (TLM)*	**Certification, Degree completion, re-connection to higher education** *Community colleges*
2	*On-the-Job Training / Transitional Labor*	**Traditional Industries Work Programs, Prison Industry Enhancement (PIE)** *County, State and Federal programs within correctional institutions*	**Combined Job Skills/Interview Training, Apprenticeships, Transitional Jobs, Job Placement** *CEO, RecycleForce, Goodwill Industries, Project Return (TN)*
3	*Supports to Enable Re-Entry*	**Correctional Pre-Release Centers, Re-Entry Support Programs, Identification Assistance** *TREC, Take One, Power of People*	**Record Expungement, Identification Assistance, Housing Supports** *MSCOR, CORI (MA)*
4	*Behavioral Health Services (e.g. Mental Health, Substance Use)*	**Prison Mental Health Services, Residential Drug Abuse Program (RDAP), Suicide Prevention** *County, State and Federal programs within correctional institutions*	**Case Management, Cognitive Behavioral Therapy (CBT), Contingency Management/Relapse Prevention, Motivational Interviewing** *Community Health Centers, University Health Centers, ComALERT*
5	*Offense-Specific (e.g. Domestic Violence, Sex Offenses)*	**Serious and Violent Offender Reentry Initiatives, Therapeutic communities, Anger Management** *County, State and Federal programs within correctional institutions*	**Community-Based Interventions Project, Duluth Model, Feminist CBT (FCBT), Process-Psychodynamic Treatment (PPT)** *REACH MA, Safe Return*
6	*Mentorship*	**Faith-based life skills and values training with mentors and community support groups** *InnerChange Prison Fellowship (MN, TX)*	**Faith-based and/or mentor-supported self-sufficiency and counseling programs** *AdvanceMemphis, Neighborhood Christian Centers, Inc., The Connection, Pathfinders*

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See appendix for definitions of interventions. Selecting intervention focus areas should not preclude service providers with different approaches from applying to the rate card RFP

▶ **RECAP:** PROJECT WORK PLAN

Rate card design to span first six months, followed by RFP, and provider selection

MONTH

ACTIVITY	1	2	3	4	5	6	7	8	9	10	11	12	13
Award & project planning	★ *Technical Assistance Begins*												
❶ Outcome rate card design			*4-month design check point* ★			*6-month design check point* ★							
Data request and analysis	▓	▓	▓										
Secondary research	▓	▓	▓										
Service provider landscape	▓	▓	▓	▓	▓								
Outcome selection		▓	▓	▓	▓	▓							
Economic model		▓	▓	▓	▓	▓							
Operations planning		▓	▓	▓	▓	▓							
❷ Service provider RFP													
Understand local procurement guidelines	▓	▓											
RFP design					▓	▓	▓						
Open procurement								▓	▓	▓			
Financing / capital raise									▓	▓	▓		
❸ Select service providers													
Finalize outcomes contracts											▓	★	
Service delivery													▓➤
Working Group Sessions	←――――――――――――― *Bi-Weekly Check-Ins* ―――――――――――――→												

PRELIMINARY PROPOSAL: OUTCOMES RATE CARD MATRIX

Proposed framework for outcomes rate card to incentivize achievement of both expected and supplemental metrics. We would seek to align one specific metric to each box included on the rate card

Risk

Category	Expected	Supplemental
Administrative	Current **data inputs collected/required for WIOA** reporting and adherence to performance standards (likely contractually obligated rather than payment-contingent)	Metrics to ensure individuals don't "**slip through the cracks**"
Programmatic	**Shorter-term**, **programmatic outcomes** that will help to drive the longer-term outcomes desired	Metrics to **incentivize partnerships** with pre-release components and increase **educational attainment** in order to improve employment opportunities
Workforce	Currently required metrics for WIN/WIOA program **exit to employment**; part of WIN's negotiated performance metrics	Metrics to extend current measurement period to incentivize **longer-term, stable employment** (and measurable within follow-up period)
Recidivism		Metrics to **incentivize recidivism-focused interventions** and align with MSCC interest in 1-year follow-up; measurable within follow-up period

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